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H –3363

International Court of Justice

H3363 - 0002

OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

EVIDENCE DIVISION

Date : 12 July 1948

I certify that Document Number 3424-PS was introduced into evidence as Exhibit Number USA-446 in the Trial by the International Military Tribunal of Hermann GOERING, et al, which commenced on 20 November 1945, and that the attached photostat is a true and correct copy of the original.

Fred Niebergall

Fred NIEBERGALL
Chief, Document
Control Branch,

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C E R T I F I C A T E

I hereby certify that the annexed document 3424-PS No. USA-446 is a photostat of an original document submitted in evidence by the United States Prosecution under this number. The original document has been withdrawn in accordance with Rule 10 of the International Military Tribunal, and to the best of my knowledge and belief is to be held at the National Archives, Washington D.C. .

Paul Joosten

Nuremberg, 14 July 1948

PAUL A. JOOSTEN

General Secretary
International Military
Tribunal

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USA-776

CERTIFICATE

I , Carl R. Blumenstein, 1st Lt., AC, Chief, Field Branch, Documentation Division, do hereby declare that the document known as U S A Exhibit No. 776 (also by the OCC designation as 3724- PS) is a photostat of an original document, the original of which is to the best of my knowledge and belief in the offices of: Hdquarters, USFET, G - 5 Division, Finance Branch.

Nurnberg, 9 May 1946

Carl R. Blumenstein

CARL R. BLUMENSTEIN,
1st Lt. AC
Chief, Field Branch
Documentation Division

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CONFIDENTIAL

HEADQUARTERS
U. S. FORCES, EUROPEAN THEATER
G-5 Division
Financial Branch

Interrogation of HJALMAR HORACE GREELEY SCHACHT
July 11, 1945, 1050 hours, at "Dustbin" by C. J. Hynning.

Q. What are the various residences you have had in Germany?

A. Since when?

Q. Since the war - 1939?

A. I have a residence in BERLIN.

Q. Street address?

A. Badallee No. 9 in CHARLOTTENBURG, and then...

Q. Single dwelling?

A. Single. And then I have a second on a little farm in LINDOW. It's 40 miles north of BERLIN.

Q. Do you have any other residences?

A. No.

Q. Do you have real property elsewhere?

A. I have two more houses; Badallee No. 5. Furthermore in BERLIN-ZEHLENDORF Böckelweg 15, and then I own a little house in BAVARIA.

Q. Where?

A. HÜTTENKIRCHEN, 40 miles east of MUNICH. Just a little house. It is now rented.

Q. Any other real property?

A. No, I think that is all. No real property.

Q. Now this No. 5, is that rented?

A. It is all rented. 5 is rented and 9 is fully bombed.

Q. Now as I understand, from the previous interrogation you were taken into custody by German police on 23 July 1944. At that time were you were living where?

A. LINDOW.

Q. Where are your various records and papers - papers pertaining to your private affairs and papers you took when you left the Reichsbank

A. All my private papers are in LINDOW, and official papers in the Reichsbank.

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Q. Do you have copies of your private papers at any other place?

A. No.

Q. At the time you were detained by the German police, did they take your papers?

A. No.

Q. At the time American authorities took you over, were there any papers?

A. No.

Q. There are no papers at this place in [illegible]?

A. No.

Q. Any papers in any foreign country?

A. No.

Q. Do you have any safe deposit boxes in any bank in SWITZERLAND?

A. No, nor have I in GERMANY.

Q. What were your banks in GERMANY at the time of arrest in 1944?

A. I have an account at the Reichsbank jointly with my wife. HJALMAR and wife. My proxy.

Q. Do you have any other bank account?

A. A little bank account for my farm in [illegible].

Q. What bank has that account?

A. Raiffeisenbank. Furthermore, I have a deposit with the Bavarian Mortgage Bank in MUNICH.

Q. Any other banks?

A. No.

Q. You have no bank account in SWITZERLAND or SWEDEN? Or any other neutral country, or any other country?

A. No.

Q. Do you have any accounts payable?

A. On the contrary, I have a little debt.

Q. Have you filed any reports under MG Law 52? Or 53? Are you familiar with 52 and 53?

A. 52, I have read here.

Q. Have you filed any report under that law?

A. No.

Q. You are required to file a report. Have you read Law No. 53?

A. I don't know the number.

Q. It relates to foreign exchange.

A. I have read that.

A 096545

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Q. You filed no report under it?

A. No.

Q. Are you interested in photography?

A. No, not at all.

Q. Are any of your records and private papers on film?

A. No.

Q. You are familiar with the process?

A. No, I have nothing of that kind.

Q. Did you not give consideration to certain steps you might take to preserve your records in case of bombing?

A. All my private records I have on my little farm. In my cabinet.

Q. Do you have any safe on that farm?

A. Yes.

Q. Any wall safe?

A. Yes, it is in the wall.

Q. Who knows the combination?

A. Key. Wife has key.

Q. Do you have any other safes?

A. No.

Q. Any safe in those houses in BERLIN?

A. No safe.

Q. Where did you keep your securities and other valuables?

A. I think they are all in the cabinet.

Q. They are in any banking institutions?

A. No.

Q. You are quite certain that you do not have any safes other than at this farm in LINDOW? That is the only safe you have?

A. Yes, the only safe I have.

Q. Do you have any of your records buried in the ground?

A. Yes, in LINDOW. Yes, the records against HITLER. It means letters and copies of letters I wrote to him and so on and some memoranda which I made.

Q. While in the Reichsbank?

A. No, afterwards. I began to write my ideas down and of course I couldn't leave them open because I was always under Gestapo supervision, and therefore I buried them.

Q. Where are these records buried?

A096547

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A. Directly beside the house, north. Only I know the location.

Q. Approximately how far from the wall?

A. One foot.

Q. In the middle?

A. One foot from the balcony and the balcony is east.

Q. How deep?

A. A foot deep.

Q. Are they in some sort of steel box?

A. Yes, a steel box.

Q. Have you anything else buried?

A. No.

Q. For a Banker you seem to have very little confidence in banks. You didn't keep your safe papers in the bank.

A. Securities are with the Reichsbank and with the Bavarian Mortgage bank.

Q. You have both money on deposit and securities.

A. Those securities are at those two banks. I have securities at the Reichsbank and Bavarian Mortgage Bank and I have securities with the Gutshof.Pfungstätte (10,000 marks)

Q. Is that all

A. That's all.

Q. What sort of securities do you have in this Bavarian bank?

A. Mortgages of the same bank---of the Bavarian Bank. Mortgage bonds of the same bank. That's why I keep them there.

Q. Do you have any other securities in the Bavarian bank?

A. No.

Q. Do you have any property that you are the real but not record owner?

A. No. My wife owns a little house in ALTENBURG in SAXONY.

Q. Where? THURINGIA?

A. On the border of SAXONY, near CHEMNITZ.

Q. Did you give her that house?

A. No, she bought it from her own money.

Q. Which you gave her?

A. No. And in that house lives the mother of my wife. That's why she bought it.

Q. Are there any securities belonging to your wife in that house?

A. My wife does not own any securities as far as I know. She has an account with the Reichsbank.

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H3363 – 0009

Q. At the time of your arrest in July 1944, what was the total value of your property?

A. One million marks.

Q. Principally in what form?

A. I am interested in a credit arrangement in some Munich business. I am interested by a loan.

Q. You are the creditor under a loan?

A. With an option participation at a picture gallery in MUNICH. Zinckgraf.

Q. Any other participation?

A. No.

Q. Of your million marks, how much is real estate?

A. Little more than half.

Q. How much is cash?

A. Very little. I should say 10 percent and the balance is securities of various sorts. None of these is in foreign enterprises. On German banks. Besides the 10,000 in Gutehoffnungshütte, I own 20,000 marks in the Salamander Shoe Works. All the other are mortgage bonds.

Q. You are required to file a detailed report in accordance with law 52 and you will be provided with the proper forms. When did you cease keeping your diary?

A. Never kept one.

Q. At the Reichsbank.

A. No, never.

Q. It is going to be difficult for you to write your memoirs.

A. I never intend to.

Q. Did you have any personal secretary at the time of your arrest by Gestapo?

A. No.

Q. When did you last have a personal secretary?

A. I never had a private secretary.

Q. Do you have any further statement to make with respect to your personal papers or valuables?

A. I don't think I have.

Q. Have you ever used any other name other than Schacht? Have you used an alias?

A. Never in my life.

Q. When you travelled abroad, did you not use an alias?

A. Never.

Q. Wouldn't it have been more convenient?

A096549

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A. I have always behaved so as not to arouse attention.

Q. Opinions may differ on that. Does anyone other than your wife have a proxy?

A. No.

Q. Prior to marriage?

A. No one.

Q. You entered the HITLER government in 1933?

A. No, not the government. I became president of the Reichsbank

Q. That was the national bank of Germany?

A. Bank of Issue.

Q. In 1933 that bank was fully under German control?

A. The president was elected by the Reichs Chancellor, confirmed by the president of the Reich.

Q. You were appointed then by HINDENBURG and not HITLER?

A. On the proposal of HITLER.

Q. And you remained at the head of the Reichsbank until 21 January 1939, when you were made Minister of Economics?

A. I never was made Minister. I took it as a "Kommissariat".

Q. This is not the time for technicalities. You signed documents under title of the Minister of Economics. I can refer you to the law for the reorganisation of the economy in 1934, which was signed by you as Minister of Economics.

A. I don't contest that. At that time I was not actually the minister, but I took the power of the minister.

Q. Where does this fact appear in German documents?

A. In the nomination - the appointment. I take all the responsibility for that. I just want to make clear.

Q. What was the purpose of that limitation?

A. I was member of the bank for international settlement in BASLE and as far as I remember, a minister could not be a member of that board - an active minister. And that's why I asked for not making me a minister, but commissarminister. So I was entrusted with the power but was not minister. I became minister when I left the Reichsbank. HITLER appointed me minister without portfolio.

Q. What were the circumstances?

A. I opposed HITLER s economic policy. He wanted to abuse economic policy to put armaments further ahead. It means he aimed at war and I was against war.

Q. What were differences between you and HITLER in 1937 when you left the Ministry of Economics?

A. He had put GOERING in command of the Economy - everything. He also wanted to command over the affairs of the Ministry of Economics. I was opposed to that. I objected to that and asked my dismissal.

H3363 - 0011

Q. Did you ask for a dismissal?

A. I asked for a resignation for dismissal. He had to dismiss me. I asked for that. I told him that I did not want to conduct that ministry under the order of GOERING.

Q. What month was that?

A. August 1937. I think beginning of August '37. It took me two and a half months to get my resignation.

Q. GOERING was appointed chief of Four Year Plan in October 1936. Your disagreement arose approximately one year later.

A. Nine months later - July 1937.

Q. And what did the issue arise over?

A. He made a law about the opening up and operation of mines.

Q. The Hermann Goering mine.

A. No, generally. He wanted to promote mining more than I did, and he did that without asking me and without my agreement. I had objected to the Hermann Goering Works.

Q. Why did you object?

A. I told you that I was against overdoing exploitation for the war.

Q. Well, I have read your famous new plan, September of 1934. What is the difference between you and GOERING?

A. Have you read it?

Q. It speaks of making GERMANY self-sufficient.

A. On the contrary, I decline that. I say if GERMANY is cut off from world commerce, world trade, then it's a pity that we have to do this barter business which is a damn business.

Q. Has your memory failed you before? That isn't what you said in your speech and you know it.

A. Show me the speech. It can be produced?

Q. The speech said that you were going to try to make GERMANY self-sufficient.

A. I tried to make GERMANY live because we were cut off from foreign trade. What else can I do? If GERMANY is cut off from foreign trade, I have to care, as Minister of Economics, to make GERMANY live, but this is not an ideal policy. I wanted foreign trade. But in order to make GERMANY live, I had to do the barter business and buy in from foreign countries not more than I could pay for. If you call that self-sufficiency, you may use that expression, but self-sufficiency has never been my ideal. I have always been for foreign trade.

Q. Do I take it that your difference with GOERING in July 1937 related primarily to general economic policy of GERMANY and was not related to a specific issue? Your difference with GOERING, did that arise out of a general difference of approach or out of a specific difference involving coal mining?

A. My difference with GOERING was that I felt that the Nazi leaders were aiming at war. I didn't want war. Therefore, when my economic powers were taken over by GOERING, I took this as a reason, or as a cause - what do you call it - I took this opportunity of asking for my resignation.

A 096551

H3363 – 0012

Q. Who opposed your resignation at that time?

A. HITLER.

Q. Anyone else?

A. I don't know.

Q. GOERING was certainly in favor of it.

A. He wanted me to stay only if I obeyed his orders.

Q. GOERING told me that he asked for your dismissal.

A. That's wrong. He may have done. I don't know.

Q. You remained, however, as president of the Reichsbank?

A. I remained as president of the Reichsbank. In connection with GOERING's statements, it may be interesting that HITLER opposed or objected very much to my resignation and that it took me a fight of two and a half months with him to get it. Whether GOERING has asked for my resignation or not, I don't know. The fact is that I have never known it and that I asked for my resignation without any previous discussion with GOERING. This can be proved by the letter by which I asked for my resignation.

Q. Where is a copy of this letter?

A. Up in the files of the Reich Chancellory, but I think I have a copy in LINDOW. I am sure of it. There must be one.

Q. What were the circumstances surrounding your leaving the Reichsbank in January 1939?

A. I refused to give money to HITLER from the Reichsbank in 1939.

Q. Who asked?

A. HITLER.

Q. How much did he ask you for?

A. No fixed amount. Just that I should give what he asked for.

Q. I have talked to Count SCHWERIN VON KROSIGK and he tells me the issue arose on a very specific matter.

A. I don't know what he means. During the years 1934, 1935 and 1936, the Reichsbank bought bills guaranteed by the Reich in amounts up to altogether 9 billion Reichsmarks.

Q. One year.

A. I dictated 1934, 1935, and 1936.

Q. That's the sum for those three years?

A. Yes. In March 1937 my term as president of the Reichsbank finished and HITLER had the intention of appointing me for another four years. I then told him that I would only accept another appointment if the Reichsbank was not to buy those bills any more. We quarreled a great deal with me and said that he couldn't suddenly stop this sort of business, so we came to a compromise. I promised him to buy another 3 billion marks of those bills and he should appoint me for one year only, which he did.

Q. Does that one year appointment appear on any document?

A096552

H3363 - 0013

A. My appointment was for one year. It was in the newspapers, and the party was glad I was appointed for one year and I should leave, because the party was against me. The understanding was that if HITLER wanted to continue the bill purchases by the Reichsbank that I would not accept any new appointment after the year was over.

Q. Who was present at this besides you and HITLER?

A. I don't think anyone was present.

Q. Wait a minute. LUTHER was the go between. I know all that.

A. LUTHER had known of this. He came twice into my office with the appointment for four years and I sent him back twice without accepting.

Q. What happened the third time?

A. The third time the one year's appointment was handed over to me. During the year 1937, I arranged with the Finance Minister and Von REITEL that the purchases would stop. After March 1938, the Reichsbank did not contribute a penny to armaments until my dismissal.

Q. How much did it contribute for other governmental expenditures?

A. Not one penny.

Q. Do I understand you to state that from March 1938 to beginning of January - nine months -- that the German state met its expenditures from tax and other receipts?

A. Loans.

Q. Raised through the Reichsbank.

A. Not through the Reichsbank, but the Reichsbank acted as fiscal agent.

Q. You discounted all those short terms?

A. No, the amount of credit to the state ~~bills discounted~~ was restricted by the law of the Reichsbank. It is in the law or statute of the Reichsbank how much we are allowed to give.

Q. That was changed in 1937.

A. As long as I was there, the amount was restricted.

Q. That was not required under the law.

A. It was required under the statutes of the Reichsbank.

Q. How were the governmental requirements for funds met in this nine-months period?

A. That is a matter of the Finance Ministers. I don't know.

Q. You don't know?

A. No, I say by loans, taxes, short term bills.

Q. Did the Reichsbank play any role in arranging?

A. Yes, they acted as fiscal agent.

Q. I repeat, what was the role of the Reichsbank in arranging for loans, discounting of bills, or other non-tax receipts?

A 096553

H3363 – 0014

A. The answer is that the Reichsbank was the fiscal agent and banker of the Reich but it didn't deliver money of its own and didn't buy those things with its own money beyond the permission given by the statutes. They arranged for having these loans and bills placed in the market.

Q. In this manner, sufficient funds, I take it, were raised to meet the fiscal requirements of the German government during that period?

A. This is a matter to be answered by the Finance Ministry.

Q. Were any complaints made to you as president of the Reichsbank prior to January that sufficient funds were not available to meet expenditures of the Reich?

A. The Finance Minister was short of money towards the end of 1938.

Q. What time?

A. The fall of 1938. And as far as I remember, He got some credit from the private banks at the time.

Q. Did this credit arrangement go through the Reichsbank as fiscal agent?

A. I do not remember exactly what role the Reichsbank has played in this credit arrangement; but the Reichsbank knows about it and because the Reichsbank refused to give money, the private bank credit was arranged by the Finance Minister.

Q. Do you remember what banks?

A. I think all the big banks were in the credit.

Q. Who actually arranged this credit?

A. I don't know. On the 2nd of January, 1939, I was with HITLER at Berchtesgaden and reported about my visit to London a few weeks before. In the course of the conversation, HITLER stated to me that he had now found ways and means to finance his budgetary requirements beyond the additional means. I said that it would be difficult because, when the Finance Minister collected in December the first installment of the so-called Jewish Atonement Fine, the first installment of 250,000,000 had not been paid in cash, but an amount of 80 million had to be accepted in kind. This showed to me that again he wanted the Reichsbank to increase the note circulation for his financial wants. And when he stated to me that he would discuss this matter with the Finance Minister and me when back in BERLIN, I said to him that for this discussion the Reichsbank would give him a memorandum about the matter. This memorandum was sent to him the 7th of January and was signed by me and members of the Reichsbank Direktorium.

(His answer was that against such kind one could issue bank notes)

Q. Where is a copy of that?

A. A copy must be in LL/O..., but it must also be in the files of the Reichsbank. In this memorandum, the Reichsbank Direktorium declined every kind of inflationary policy. The next thing I heard was my dismissal from the presidency of the Reichsbank the 21st of January.

Q. Did you have any discussion with Count SCHWERIN von KROSIGK with respect to funds needed in January.

A. No, I don't think so. I may have seen him, but I don't know.

Q. You refused every request?

A. If he did, I refused. I don't remember. Because at that time he said to me, "If you leave your post, I leave mine too."

A096554

H3363 – 0015

Q. Did you have any discussion with FRITZ REINHARDT?

A. No, I disliked him very much.

Q. Did you have any discussion with FUNK?

A. No. FUNK, at the time, had nothing to do with the whole matter.

Q. You retained, however, your position as Reichsminister without portfolio?

A. Quite. I had a secretary and the whole budget of my Ministry was 15,000 marks a year. I used my private room as office.

Q. Where was this room?

A. In my house - Meinkiller No. 9.

Q. Did you have an office in the building of the Reichsbank?

A. I had no other office.

Q. That means you did not have an office in the Reichsbank.

A. I had no office in the Reichsbank.

Q. FUNK tells me you continued to have a room in the Reichsbank.

A. That is not true.

Q. What did you do as Minister without portfolio?

A. Nothing.

Q. This is what the English call a sinecure, a job without work. What were you paid?

A. 15,000 marks was the budget

Q. What did your secretary do?

A. She wrote private letters and I have even used her for all kinds of things.

Q. You had no duties whatever?

A. None whatever.

Q. You were given a secretary to use as you saw fit?

A. Quite.

Q. Did you draw any pension?

A. From the Reichsbank. What. No pension. Until 1942, I drew my full salary from the Reichsbank because I was still entitled to it by contract, and afterwards...

Q. What is date of the contract?

A. 1937. From March 17th, 1939, 1940, 1941, 1942. Four years. Four years contract.

Q. You were really then given a four-year appointment.

A. That's what I told you. After 1942, I got a pension from the Reichsbank.

Q. What was the amount of your salary and all other income from the Reichsbank?

A 096555

H3363 – 0016

A. All the income from the Reichsbank including my fees for representation amounted to 60,000 marks a year, and the pension is 24,000. You see, I had a short contract but a high pension. As Reichsminister without portfolio, I had another - I think - also 24,000 or 20,000.

Q. What is this other 20,000 from?

A. As minister. The salary was not in my budget. Was in KROSIGK's budget.

Q. In other words, the budget of your minister without portfolio did not include the salary of the minister, presumably the most important person in the ministry.

A. Quite so.

Q. As minister without portfolio, you had access, I assume, to all the important monetary statistics and memoranda of the German Government up to your dismissal as minister?

A. No sir, this is not right. I had not the slightest knowledge of the files of any other minister, nor of the Reichsbank.

Q. Your sources of information, then, on such matters as currency, prices, foreign exchange, were derived entirely from newspapers and periodicals?

A. Entirely.

Q. Did you have any discussion with FUNK on economics or monetary problems?

A. None whatever, except one conversation during the war. This might have been in 1941, about the general economic situation of GERMANY in respect to the war.

Q. Then, is it correct that you know little or nothing about German economy since 1939?

A. That is correct.

Q. Do you have any idea of the amount of currency outstanding at the present time, or let us say, before the collapse of GERMANY?

A. When I left the Reichsbank, the outstanding currency was about 8 billion marks.

Q. Does that include Rentenmark?

A. Not including Rentenmark, which is a trivial amount. The Rentenmark at that time was a few hundred millions marks. Later increased during the war. Since I have been in custody I have not seen any figures but I have been told by people who have seen later figures that the amount had risen up to something like 50 billions. My present guess is around 70 billion. But you must have the exact figures.

Q. How dangerous is this large amount of currency? 70 billion?

A. My feeling is that there is no immediate danger, as long as prices are under control. But, of course, it is an enormous hindrance to any restoration of a free market. It is what I would call an impending secret inflation. It becomes still more dangerous by the enormous amount of public debt.

Q. We will break off the interrogation. (1230 hours)

Interrogation resumed at 1350 hours.

Q. With whom have you discussed the problem of currency and the larger problem of inflation since your detention by the Nazis in 1944?

H3363 – 0017

A. Nobody.

Q. What is the source of your guess.

A. Some of my comrades in friendship.

Q. Who were they? Have you discussed this with GRIEMDORF?

A. Don't know him. Never saw him.

Q. What do you think the public debt, secret and otherwise, is at present?

A. Between 400 and 450 billions. That's my guess.

Q. What would you say expenditures of the Reich in last year were?

A. Don't know.

Q. Would a figure of 120 or 140 billion surprise you?

A. Very much. I think it is much too high. Otherwise the debt must be much higher.

Q. If you were to assume that the public debt was increasing around 6 to 10 billion a month in January.

A. I don't know, perhaps more, but I think the increase is about that. Yes, I should say so.

Q. Eight billion a month is 96 billion a year. Taxes would have to be 25-35.

A. I didn't think of that. The expenditure figure of 120 to 140 billion would be correct.

Q. It is probably true that you have had more experience with the prevention of inflation than almost any other man in Germany. Are not you the father of the Rentenmark?

A. I am not. I stabilized the mark. I should say there is no one else. But I found the Rentenmark, when I became currency commissioner, already provided by law and I did not change it, and assumed Rentenmark would be equal to RM.

Q. We would like to get from you by Tuesday a written statement insofar as you are prepared to do it, on what your judgment is of present day GERMANY. What would your plan be to prevent financial chaos in GERMANY. You will have to assume that you will write your plan for GERMANY as a whole or part of GERMANY.

A. Can't for part of GERMANY.

Q. What do you regard as the minimum requirements for a program for averting financial chaos? It means currency, taxes, the whole banking structure. You must bear in mind that you are dealing with a GERMANY under complete occupation and there will be demands for reparations. We will be giving you several assignments to produce written statements over a period of time. This is the first one. You will have one week and such facilities as are available here. You have said that you have reliable information on German finance only for the period prior to the war and what you know since the war is only sketchy. You have not had access to statistics and know only what you have seen in periodicals and newspapers.

A. Yes.

Q. Now, who do you think among Germans now alive, can tell the Allies most about German finance.

H3363 – 0018

A. KROSIGK.

Q. I have talked to KROSIGK and FUNK and I find FUNK stupid and KROSIGK the same.

A. Mr. FUNK is certainly stupid and in fact has no knowledge of finance. He understands other things. I doubt if FUNK lies. He is not in a position to lie. He says I had a room in the bank, somebody might have said go into SCHACHT's room and mount my old room so that FUNK didn't know that I had no room in the bank. FUNK certainly has little knowledge of what was going on in the Reichsbank.

Q. Who knows?

A. The other members of the directorium. I should say FUHL.

Q. Is he a clever man?

A. I should say so.

Q. What about TILLESSY?

A. He is more of a specialist.

Q. He knows of foreign exchange?

A. Yes. The men who know about finance and currency are LUTHER, WOCKE, BLESSING. These three are familiar with the whole Reichsbank policy and HELFF is especially familiar with finance and debts.

Q. Not foreign exchange?

A. FUHL is the man.

Q. What about LANGE?

A. He doesn't know a bit about money or anything of that kind.

Q. What was he doing in the bank?

A. I don't know. He draws his salary. And raves about Nazi policy.

Q. Are there any well informed officials in the Ministry of Economics? What about HAYLER?

A. HAYLER is not well informed, I am told.

Q. OHLENDORF?

A. I am told by those people in this camp and Major TILLY told me he was the man, so that's all I know about the Ministry of Economics at present.

Q. Do you know Staatssecretar KOERNER?

A. He is one of the greatest fools and does not know anything. GRAMSCH is much better.

Q. And KEHRL?

A. I don't know him. But GRAMSCH knows a great deal I think.

Q. Any other people whom you met that can supply information?

A. ABS of Deutsche Bank in HAMBURG. GOETZ - Dresdner Bank. METLAGE in this camp was in SPEER Ministry for last two or three years.

Q. Any other source?

A096558

H3363 - 0019

A. There may be some on the staff of KROSIGK, who certainly is subjectively honest.

Q. Any other names?

A. I think I got all the outstanding people.

Q. In 1938, you were no longer Minister of Economics but President of the Reichsbank. FUNK was minister and GOERING Four Year Plan. Who was the boss on foreign exchange in GERMANY? GOERING?

A. He was already in charge of the devisen authority in 1936.

Q. What authority do you mean?

A. He disposed of foreign currency. If someone wanted foreign currency, GOERING's office had to give it.

Q. How did that authority arise?

A. HITLER appointed GOERING head of the devisen office in 1936.

Q. What is the name of the devisen office in GERMANY?
A. Devisen Amortisement Commission (Devisenamortisationskommission).
Q. And the Reichsbank acted merely in a clerical capacity?

A. Merely as accountant.

Q. Who made the decisions in 1938 on disposition of foreign exchange? GOERING?

A. I don't know.

Q. Were you member of the commission?

A. Never.

Q. Was a member of the Reichsbank directorate a member?

A. I don't think the Reichsbank was in the commission.

Q. Was this commission set up under any law?

A. Laws were so rare. There were orders.

Q. You don't remember any of that.

A. The best man in the Reichsbank is VON .EDEL. I think he had most to do with these. And PUHL, of course.

Q. Do you know an organization known as the "Devisenschutzkommando"?

A. Never heard of it. I know that some organisation in the Gestapo or something was after the devisen, but I think it depended on KROSIGK, even if connected with Gestapo.

Q. GOERING tells me it was under him.

A. He collected everything he could get.

Q. GOERING tells me all foreign exchange he got was turned over to Reichsbank.

A. ~~Quite~~. That should have been so.) (But I didn't get all the devisen because the Nazi Party for instance never brought any devisen to me when they collected foreign money outside of GERMANY, never offered these devisen to me. And therefore, I asked HITLER to vest the devisen authority with GOERING.

A 096559

H3363 – 0020

Q. What did HITLER reply?

A. HITLER did it. In 1936 already.

Q. Before the Four Year Plan?

A. Before the Four Year Plan had been created.

Q. At the end of 1936, is it correct to say that the boss of foreign exchange was GOERING, that FUNK as Minister of Economics was handling routine administrative work of apportioning devisen among applicants and Reichsbank was acting in an administrative capacity pursuant to orders of GOERING. Is that a correct characterization?

A. Yes. Only I can't tell what part of orders came from FUNK or GOERING. But even the orders of FUNK were under GOERING's authority. The Reichsbank had discretion only within the limits prescribed by the order.

Q. As far as you know GOERING's power over foreign exchange continued to the very end, or did he lose those powers to SPEER?

A. I don't know.

Q. Have you had any conversation with HETTLAGE with respect to the battle between GOERING and SPEER?

A. No, we avoided discussing these matters here. All of us as far as I know.

Q. At end of 1938, what is your recollection of the amount of foreign exchange available to Germany?

A. I have not the slightest idea.

Q. The amount available to the German government?

A. I don't know whether they wanted any devisen at all. If the Reich want devisen I think it should be in the accounts of the Reichsbank.

Q. You don't recall any amounts?

A. No. But that should be seen from the books of the Reichsbank.

Q. In 1938, where were largest foreign accounts of Reichsbank?

A. I can't tell you. PUHL will give you the figures.

Q. In which country?

A. I don't know.

Q. Do you know whether the Foreign Office held foreign exchange outside the Reichsbank?

A. I don't know.

Q. I am speaking of 1938.

A. Yes, I don't know.

Q. What do you know about Rowak Handelsgesellschaft?

A. I know very little.

Q. That's trade with SPAIN.

A. Yes.

A096560

H3363 - 0021

Q. You know that that organisation was created to help you get some of the money back from FRANCO?

A. It was created to get raw materials from SPAIN.

Q. That is a form of getting money out of SPAIN.

A. If no payments were made to FRANCO for the commodities, yes.

Q. Germany's control of foreign exchange began in 1931, didn't it?

A. Quite.

Q. But the first comprehensive control of foreign exchange including the compulsory tender to the Reichsbank came much later, about 1934. That was under your auspices.

A. The first was not under mine.

Q. When were most persons subject to German jurisdiction compelled to tender their foreign exchange assets to the Reichsbank?

A. I can't say.

Q. Certainly not in 1931.

A. I can't say.

Q. You should know.

A. I think the Reichsbank must know.

Q. You were the head.

A. Yes, but I am not the clerk. I have no statistics.

Q. What is your judgement? My question is when was German control over foreign exchange effective?

A. My guess is immediately after the law had been made to tender the divisen to the Reichsbank. But I don't remember.

Q. You appear more stupid than FUNK or are you different from FUNK in lying?

A. I don't lie. That's all I can say. I tell you the truth.

Q. We shall see. And you don't know the answer.

A. I can't remember.

Q. What year? 1931, 1934, 1936?

A. 1931 I was not in. I don't know all these laws.

Q. You were the president of the Reichsbank.

A. But I have not all the data in my mind.

Q. It was most important question.

A. Today, yes.

Q. Who had the responsibility for enforcing these surrender or tender of foreign assets in GERMANY?

A. The public prosecution.

A096561

H3363 - 0022

Q. Did GOERING have that authority?

A. After, he had all authority. The Gestapo was trying to find out who hid the foreign exchange and if somebody acted against the law it was the prosecutor who sued the man.

Q. Who took the case to the public prosecution?

A. The man who discovered.

Q. Regional officer of the Reichsbank?

A. Who. If the Reichsbank discovered, then they told.

Q. Who handled questions of whether or not I.G. FARBEN should turn it to Reichsbank or not?

A. There was a law and if I.G. acted against the law.

Q. That law said exceptions could be made in specific cases.

A. Reichsbank could not make exceptions. GOERING had that power. Reichsbank was fiscal agent and had no authority to apportion devisen.

Q. I am talking about the tender of foreign exchange.

A. That was not in the power of the Reichsbank to do that.

Q. Let me read you paragraph 51 of the Reichsbank Law. Who in your organization made these decisions on large powerful organizations like FARBEN?

A. Certainly if it was question of big transactions, then I must be informed, and as to minor things, no. I should have been informed if it was the matter of big things.

Q. You realize you had a dilemma. If you wanted foreign exchange, you wanted big powerful corporations to dispose of their foreign assets and property rights in other countries. But the other side of the dilemma was that you wanted I.G. FARBEN to retain powerful controls and interests in foreign countries. How did you resolve that dilemma?

A. I was not in that dilemma, because I never aimed at retaining within I.G. FARBEN or any other big company an influential power in any foreign enterprise. I had nothing to do with that and I was not the least concerned about it. On the other hand, I could not say I had not the power to force I.G. FARBEN to sell their participations or what ever it might be in foreign enterprises if it was not prescribed by law.

Q. I refer you again to 51. You had that power.

A. No, I had not that power.

Q. Who had the power under that law?

A. I don't know. It has been something entirely different. It describes devisen as ready money coming in. But not participations or real estate or other assets in foreign countries.

Q. What of the assets of I.G. FARBEN are in the form of securities held in foreign corporations which are presumably outside German control?

A. Yes. I have never been concerned with this problem.

Q. Anyone in the Reichsbank?

A. And nobody else in the Reichsbank.

A096562

C O N F I D E N T I A L

-19-

H3363 – 0023

Q. You have heard of ROBERT BOSCH of STUTTGART?

A. Yes.

Q. You know they were permitted to purchase foreign exchange in very large amounts for acquiring control of foreign companies?

A. Maybe. I know he had foreign interests.

Q. Do you know how they got foreign exchange from the Reichsbank?

A. I had no authorization in that. Certainly from GOERING. I had no authorization to do that. I was simply the executive.

Q. Carrying out orders?

A. Carrying out orders, yes.

Q. Do you know JACOB WALLENBURG?

A. In STOCKHOLM? I know the firm and JACOB.

Q. When did you last see them?

A. I think in June 1943.

Q. Have you had any transactions with them?

A. None whatever.

Q. Do you know the Enskilda bank in STOCKHOLM?

A. Yes, their bank.

Q. Do you know of any transactions of that bank?

A. No. I have nothing to do.

Q. Do you know of any large financial transactions that WALLENBURG had in GERMANY?

A. Don't know.

Q. Do you know of the detail, any other general facts relating to the merger that resulted in the Vereinigte Kugellager Fabriken in 1929?

A. No.

Q. Ever heard of FRANZ SACHS?

A. Have met socially.

Q. Does he have any interest in VKF or SKF?

A. Don't know.

Q. Know [illegible]?

A. Yes.

Q. Does he have any interest in VKF or SKF?

A. Don't know.

Q. THYSSEN?

A. Don't know. He is in the camp.

A096563

H3363 – 0024

Q. Do you know of any German participation in SKF?

A. I have no knowledge that such thing exists or existed.

Q. Do you know Dr. GOERDELER?

A. That's the man who was executed. I knew him very well.

Q. Do you know whether he had available to him foreign funds for his conspiracy?

A. Knew of no financing of the conspiracy. I knew that he was aiming at something but I had no contact with him since spring 1943. I knew him but distrusted his policy.

Q. You are familiar with the fact that many large German companies (I.G. FARBEN among them) have made foreign exchange available for use of espionage or exploitation and propaganda in foreign countries.

A. I have not the slightest idea. Knew nothing of that.

Q. Would it surprise you to see documentary proof of that between Dr. SCHNITZLER and CANARIS?

A. Yes. That's just what makes me hesitate. I have been out of business since beginning of 1939. If it were before 1939, it would surprise me. What has been done during the war, nobody knows what pressure has been brought on I.G. FARBEN.

Q. You do not think I.G. FARBEN would do such a thing without pressure?

A. I should say so.

Q. If we want answers to some of the questions you have answered "I don't know" with respect to the holding of foreign exchange by large German corporations or the acquisition of foreign exchange by large German corporations for the purposes of expanding their foreign connections, what persons could you suggest in the Reichsbank to supply answers to those questions?

A. I don't think anyone in the Reichsbank could answer. It wasn't the business of the Reichsbank.

Q. Whose business was it? CANARIS? I am talking about espionage now.

A. Well, it was GOERING - GOERING and FUNK perhaps. Foreign Office perhaps if they had some interest in it.

Q. The Reichsbank merely acted as bookkeeper?

A. Just the accountant. But I had never confidential relations. They distrusted me very much. The Party did, and HITLER did. Very little confidence in me in a political respect. Otherwise, of course.

Q. I suggest that you carefully think over the questions I have asked you today. And I shall see you shortly when your essay is finished. Better write in English. It is a very big problem and we want a very carefully thought out plan and I will come back to several of the questions because I don't regard your answers as satisfactory and it may be necessary to take certain other steps. That's all. (1450 hours)

I state that the answers given by me on this statement consisting of 20 pages each initialed by me are true and correct.

Hjalmar Schacht

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SCHACHT INTERROGATION

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SCHACHT INTERROGATION

Exhibit USA 776 (3724-PS)

Filed Feb. 27, 1946
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19 Photostats
1 Certificate

Doc. No. L-240 (Exhibits)

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